

ebm executive business media inc.

COUPON FLYER PROGRAM

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December 9, 1992

TO: Mr. Larry Glennie
Director of Military Operations
Philip Morris U.S.A.
FAX: 212-907-5487

Dear Larry,

Following up on our phone conversations, here is a recap of Executive Business Media's (EBM) in-store coupon flyer promotions targeting military commissary patrons for 1993.

EBM Super Coupon Flyer Program - a four-color Valassis style FSI published 6 times in 1993. These 6 sales promotion flyers have been themed as follows:

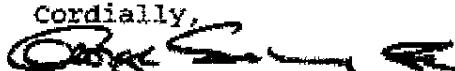
- February President's Day Flyer
- March Festival of Savings Flyer
- May DeCA Armed Forces Sale
- July MWR Community Appreciation Sale
- October DeCA 2nd Anniversary Sale
- November Super Holiday Savings Flyer

Each of the above flyer promotions will have a total stateside circulation of 565,000. EBM representatives will hand distribute the flyers in the top 50 stores during both pay periods. The flyers will also be distributed to shoppers, from the commissary ID desk, at all stateside stores throughout the entire month of each promotion. Your participation will also include trade exposure in EXCHANGE & COMMISSARY NEWS and increased shoppers usage through a flyer cross-promotion in the Circular of Values.

All EBM Super Coupon Flyer Sales promotions guarantee product exclusivity. Per our discussion, if Philip Morris participates in two flyer promotions, a 7 1/2% discount off the rate card would be applied. In addition, I am offering Philip Morris rate incentive volume discounts of 10% off rate card for participation in 3 flyers; 15% for up to 5 flyers and 20% for participation in all 6 flyer promotions. Bottom line - Philip Morris participation in all 6 flyers would block all tobacco product competitors for a net page rate of \$8,400 per flyer.

Thank you for your time and consideration.

Cordially,


George Seekamp, Jr.
Manager, Consumer Sales

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